

Message Text

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PAGE 01 TORONT 00200 211722Z

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15 USIA-15

TRSE-00 OMB-01 EB-08 COME-00 INT-05 FRB-01 /084 W

-----211732Z 130203 /47

R 211606Z JAN 77

FM AMCONSUL TORONTO

TO SECSTATE WASHDC 4869

INFO AMEMBASSY OTTAWA

AMCONSUL MONTREAL

AMCONSUL QUEBEC

UNCLAS TORONTO 0200

E.O. 11652: N/A

TAGS: PGOV, EINV, CA

SUBJECT: PARIZEAU SAYS PQ FAVORS COMPETITIVE TAXES, LIMITED
NATIONALIZATION

1. IN AN INTERVIEW WITH FINANCIAL POST COMPANY AFFAIRS EDITOR
ROBERT JAMIESON, PRINTED IN THE JANUARY 22 ISSUE, QUEBEC FINANCE
MINISTER JACQUES PARIZEAU SAID THAT THE PQ WILL KEEP CORPORATE
TAXATION COMPETITIVE WITH OTHER TAX SYSTEMS AS
OTHERWISE PROFITS WOULD BE PUSHED OUT OF THE PROVINCE; THAT
AS CONCERNS NATIONALIZATION, HIS GOVERNMENT'S POSITION IS
MISUNDERSTOOD.
THE PQ FEELS QUEBEC SHOULD HAVE PARTICIPATION IN SOME INDUSTRIAL
SECTORS BUT BY BUYING IN AS THE FEDERAL GOVERNMENT DID IN PETROCANADA

THE ONLY SECTOR WHERE THE QUEBEC GOVERNMENT MIGHT CONSIDER OUTRIGHT
NATIONALIZATION IS THE ASBESTOS INDUSTRY WHERE "THE PERFORMANCE
OF THESE COMPANIES IN TERMS OF THE HEALTH OF THEIR WORKERS IS
PRETTY AWFUL" AND THE ASBESTOS COMPANIES HAVE NEGLECTED SUGGESTIONS
TO PROCESS MORE OF THE PRODUCT IN CANADA.

2. PARIZEAU SAID THAT HE BECAME A SEPARATIST WHEN HE FINALLY

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REALIZED THAT HAVING TWO GOVERNMENTS -- FEDERAL AND PROVINCIAL --
JUST DID NOT WORK, AND THAT "ONE OF THE PROBLEMS OF CANADA
IS THAT IT IS TOO DECENTRALIZED." HE NOTED THE ABSURDITY THAT
80 PERCENT OF ALL PUBLIC WORKS IN CANADA ARE CONDUCTED BY PROVINCES
AND MUNICIPALITIES WITHOUT ANY TYPE OF CONTROL OR INFLUENCE BY THE
CENTRAL AUTHORITIES AND THAT "IN TIMES OF UNEMPLOYMENT OR
INFLATION, TO KEEP 80 PERCENT OF PUBLIC WORKS OUTSIDE OF FEDERAL

CONTROL IS MADNESS."

3. WHILE PARIZEAU BELIEVED THE PROPOSED REFERENDUM ON SEPARATION WOULD NOT BE DECIDED ON ECONOMIC CONDITIONS SOLELY, HE FELT THAT QUEBECKERS "WILL ESTABLISH SOME SORT OF BALANCE BETWEEN THE PROFOUND EMOTIONAL ISSUES ON THE ONE HAND AND THE PERFORMANCE OF THE ECONOMY ON THE OTHER." HE REFUSED TO BE SPECIFIC ON GOVERNMENT ECONOMIC POLICY FOR THE FUTURE BUT FELT THAT THERE WOULD BE A DEFINITE IMPROVE

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MENT IN THE DETERIORATING ATMOSPHERE EXPERIENCED OVER THE LAST 3 OR 4 YEARS.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, PRESS CONFERENCES, TAXES
Control Number: n/a
Copy: SINGLE
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770023-0267
Format: TEL
From: TORONTO
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1977/newtext/t19770128/aaaaayij.tel
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Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
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Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3531496
Secure: OPEN
Status: NATIVE
Subject: PARIZEAU SAYS PQ FAVORS COMPETITIVE TAXES, LIMITED NATIONALIZATION
TAGS: PGOV, EINV, CA, (PARIZEAU, JACQUES)
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/12c7b7d2-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009